

CASE

NUMBER:

99-452

HISTORY INDEX FOR CASE: 1999-452
MCKINNEY WATER DISTRICT
Rates - PWA

IN THE MATTER OF THE PURCHASED WATER ADJUSTMENT FOR
MCKINNEY WATER DISTRICT

SEQ NBR	ENTRY DATE	REMARKS
0001	11/08/1999	Application.
0002	11/10/1999	Acknowledgement letter.
0003	11/18/1999	No deficiencies letter
0004	12/08/1999	Final Order approving rates as set forth in Appendices A and B.
M0001	12/20/1999	-
M0002	12/20/1999	BOB MAPLES MCKINNEY WD-REVISED TARIFF
M0003	12/27/1999	NICKI BASTIN MCKINNEY WATER DISTRICT-AFFIDAVIT OF THE NOTICE MCKINNEY WATER DISTRICT PUBLIS

Robert Maples
Chairman
McKinney Water District
P. O. Box 7
McKinney, KY. 40448



P.O. Box 7
McKinney, Ky. 40448
(606) 346-2220

December 23, 1999

Stephanie Bell
Public Service Commission
730 Schenkel Lane
PO Box 615
Frankfort, Ky. 40602

RE: Purchased water adjustment
case # 1999-452

RECEIVED

DEC 27 1999

PUBLIC SERVICE
COMMISSION

Dear Ms. Bell,

Enclosed you will find the tear sheet and the affidavit of the notice the McKinney Water District had published concerning the purchased water adjustment.

This notice will also be published in the next paper due for publication January 6, 2000.

Please inform me if anything else needs to be done on this before the customers are charged the new rate.

Sincerely,

NICKI BASTIN
CLERK

THE INTERIOR JOURNAL

Established 1860

111 East Main Street

P.O. Box 196

Stanford, Kentucky 40484

(606) 365-2104 • Fax (606) 365-2105

AFFIDAVIT OF PUBLICATION

I hereby certify that I am Gina Cooper, Office Manager of The Interior Journal, a newspaper published in the City of Stanford, County of Lincoln, Commonwealth of Kentucky. I further certify that the Public Notice (water rates) was inserted in said newspaper on the following date(s): Dec. 23, 1999.

Gina Cooper

Signature

Subscribed and sworn to before me this the 23 day of

Dec., 1999.

My commission expires 11/22/2003.

Bobby D. Stiles

Notary Public

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KY 40601

Legal Notice

**NOTICE OF
CIRCUIT COURT
CLERK S EXAM**

The test required by Section 107
of the Kentucky Constitution and
Supreme Court Rule 1.060 will be
administered **Saturday, January
15, 2000**, in Davidson Hall at the
University of Louisville. **Sign-in is
at 8:00 a.m. Eastern Standard
Time.** No late arrivals will be ad-
mitted after 8:20 a.m. **PRE-REG-
ISTRATION FOR THE EXAMINA-
TION IS REQUIRED.** To request
a pre-registration form (and/or
study materials), you must call
502-852-3305. No one will be ad-
mitted to the test who has not pre-
registered; all pre-registration
forms must be postmarked no later
than **January 5, 2000.**

EOE

you meet these qualifications,
call Dennis at 800-511-0689.

Legal Notice

**PUBLIC NOTICE TO ALL
MCKINNEY WATER DISTRICT CUSTOMERS**

Due to the increase in water rates the City of Stanford
has imposed on the McKinney Water District, the District
has applied with the Public Service Commission in
Frankfort, Kentucky a Purchased Water Adjustment.

As of December 8, 1999, the Public Service Commis-
sion has accepted and approved the following rate
increase for the McKinney Water District.

Monthly Rates

First 1,000 gallons	\$10.80 minimum bill
Next 2,000 gallons	3.89 per 1,000 gallons
Next 7,000 gallons	3.34 per 1,000 gallons
Over 10,000 gallons	2.74 per 1,000 gallons

1 inch & 1 1/4 School Connections

Monthly charge	\$40.00 Minimum Bill
First 1,000 gallons	\$10.80 Minimum bill
Next 2,000 gallons	3.89 per 1,000 gallons
Next 7,000 gallons	3.34 per 1,000 gallons
Over 10,000 gallons	2.74 per 1,000 gallons

These rates will begin and reflect on the water you use
in the month of January, 2000. This will be for the bill you
will pay in February, 2000.

All other rates and charges not specifically mentioned
herein shall remain the same as those in effect under the
authority of the Commission prior to the effective date of
this order.

Help Wanted

**LINCOLN COUNTY SCHOOLS
HELP WANTED - CALL 365-2124**



**Grade Teacher
Stanford
Deadline:
12/29/99**

**Custodian
Lincoln County
Middle School
Deadline:
12/22/99**

**Special Ed.
Assistant
Stanford
Deadline:
1/4/00**



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-452
MCKINNEY WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on December 8, 1999.

Parties of Record:

Robert Maples
Chairman
McKinney Water District
P. O. Box 7
McKinney, KY. 40448

Stephan Bell

Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
MCKINNEY WATER DISTRICT)

CASE NO. 99-452

O R D E R

On November 8, 1999, McKinney Water District ("McKinney") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. McKinney purchases its water from the city of Stanford, Kentucky ("Stanford") and the Eubank Water System ("Eubank").
2. Effective July 1, 1999, Stanford increased the wholesale water rate charged to McKinney from \$1.32 per 1,000 gallons to \$1.46 per 1,000 gallons for water purchased from the Stanford meter, and from \$1.52 per 1,000 gallons to \$1.68 per 1,000 gallons for water purchased from the Rowland and Neals Creek meters.
3. During the 12 months ending August 31, 1999, McKinney purchased 52,567,000 gallons of water from the Stanford meter, 25,923,500 gallons from the Rowland and Neals Creek meters, and 12,053,800 gallons from Eubank. During the same time period, McKinney sold 81,583,800 gallons to its customers.

4. The increase in the cost of purchased water is \$11,507, resulting in a purchased water adjustment of 14 cents per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average residential bill of a McKinney customer would increase 70 cents, from \$24.56 to \$25.26, or 2.85 percent.

5. McKinney's calculations are incorrect as proposed. The correct calculations are attached as Appendix A.

6. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

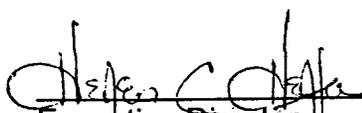
IT IS THEREFORE ORDERED that:

1. McKinney's purchased water adjustment is hereby denied as submitted.
2. Appendix A properly calculates the purchased water adjustment.
3. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix B are approved for service on and after December 1, 1999.
4. Within 20 days from the date of this Order, McKinney shall file updated tariff sheets reflecting its adjusted rates.
5. Within 20 days from the date of this Order, Big Sandy shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 8th day of December, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 99-452 DATED DECEMBER 8, 1999

<u>Supplier</u>	<u>Purchased Gallons</u>	<u>New Rate</u>		<u>Old Rate</u>	
		<u>Unit Cost</u>	<u>Total Cost</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Stanford-(in city)	52,567,000	1.46	76,747.82	1.32	69,388.44
Stanford-(out of city)	25,923,500	1.68	43,551.48	1.52	39,403.72
Eubank	12,053,800	n/a	.	n/a	
Totals	<u>90,544,300</u>		<u>120,299.30</u>		<u>108,792.16</u>

Change in cost of purchased water: 120,299.30 minus 108,792.16 = 11,507.14

Total Gallons sold during test period: 81,583,800

Calculation \$11,507.14 divided by 81,583,800g = 0.14

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-452 DATED DECEMBER 8, 1999

The following rates and charges are prescribed for the customers in the area served by McKinney Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

MONTHLY RATES

First	1,000 Gallons	\$10.80	Minimum Bill
Next	2,000 Gallons	3.89	Per 1,000 Gallons
Next	7,000 Gallons	3.34	Per 1,000 Gallons
Over	10,000 Gallons	2.74	Per 1,000 Gallons

1 inch & 1 1/4 inch School Connections

Monthly Charge		\$40.00	Minimum Bill
First	1,000 Gallons	10.80	Per 1,000 Gallons
Next	2,000 Gallons	3.89	Per 1,000 Gallons
Next	7,000 Gallons	3.34	Per 1,000 Gallons
Over	10,000 Gallons	2.74	Per 1,000 Gallons



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 18, 1999

Robert Maples
Chairman
McKinney Water District
P. O. Box 7
McKinney, KY. 40448

RE: Case No. 99-452
MCKINNEY WATER DISTRICT

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

McKinney Water District
(Name of Utility)

11/5/99
(Date)

P.O. Box 7
(Address)

McKinney, Ky. 40448
(City, State)

606-346-2220
(Telephone Number)

RECEIVED

NOV 08 1999

PUBLIC SERVICE
COMMISSION

FILED

NOV 08 1999

PUBLIC SERVICE
COMMISSION

CASE 99-452

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Stanford-in city</u>	<u>1.32</u>	<u>1.46</u>
<u>City of Stanford-out city</u>	<u>1.52</u>	<u>1.68</u>
<u>Eubank Water System</u>	<u>see attached</u>	

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

November 10, 1999

Robert Maples
Chairman
McKinney Water District
P. O. Box 7
McKinney, KY. 40448

RE: Case No. 99-452
MCKINNEY WATER DISTRICT
(Rates - PWA)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received November 8, 1999 and has been assigned Case No. 99-452. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell
Secretary of the Commission

SB/jc

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

McKinney Water District
(Name of Utility)

11/5/99
(Date)

P.O. Box 7
(Address)

McKinney, Ky. 40448
(City, State)

606-346-2220
(Telephone Number)

RECEIVED

NOV 08 1999

PUBLIC SERVICE
COMMISSION

FILED

NOV 08 1999

PUBLIC SERVICE
COMMISSION

CASE 09-452

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Stanford-in city</u>	<u>1.32</u>	<u>1.46</u>
<u>City of Stanford-out city</u>	<u>1.52</u>	<u>1.68</u>
<u>Eubank Water System</u>	<u>see attached</u>	<u></u>

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.

- 2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From 9/1/98 through 8/31/99
(month and year) (month and year)

- 3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Stanford- in city	52,567,000
Stanford- out city	25,923,500
Eubank Water System	12,053,800
TOTAL PURCHASES	90,544,300

4. Total sales for the 12 month period 81,583,800.

5. Increased water cost \$13,556.07.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.0002.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date December 1, 1999.

Bob Maples
(Signature of Utility Officer)

Chairman
(Title)

City of Eubank Rates

First 1,000 Gallons	-----	9.25	
Next 4,000 Gallons	-----	4.95	per thousand
Next 5,000 Gallons	-----	4.50	per thousand
Next 15,000 Gallons	-----	3.60	per thousand
Over 25,000 Gallons	-----	3.30	per thousand

Monthly Purchases from Eubank Water System

September 1998	1,095,000 gallons
October 1998	1,063,300 gallons
November 1998	706,000 gallons
December 1998	926,400 gallons
January 1999	642,300 gallons
February 1999	1,002,900 gallons
March 1999	835,000 gallons
April 1999	835,000 gallons
May 1999	1,680,000 gallons
June 1999	1,006,800 gallons
July 1999	1,198,700 gallons
August 1999	1,062,400 gallons

EXHIBIT A

JAMES W. WILLIAMS, III
ATTORNEY AT LAW
ROOM 4, WALKER BUILDING
201 EAST MAIN STREET
STANFORD, KENTUCKY 40484

P.O. BOX 474
STANFORD, KENTUCKY 40484

TELEPHONE
(606) 365-9166
Fax (606) 365-9167
E-mail jwwilliams@scarnet.com

May 13, 1999

McKinney Water District
P.O. Box 7
McKinney, Kentucky 40448

RE: Water Rate Increase

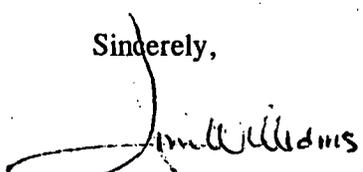
Dear Gentlemen:

I represent the Stanford Water and Sewer Commission. Enclosed herewith you will find a copy of City of Stanford Ordinance No. 612-12B enacted May 6, 1999 which established new water rates for all customers. This ordinance adopted a 10.5% across the board increase.

As a result, effective July 1, 1999, the water rates for water sold to the McKinney Water District will be \$1.46 per thousand gallons for delivery at the Stanford meter and \$1.68 per thousand gallons for delivery at the Rowland and Neals Creek meters.

This notice is being sent to you in compliance with the provisions of KRS Chapter 278 and applicable regulations of the Kentucky Public Service Commission. Within the next few days, I shall be notifying the Public Service Commission of this water rate increase.

Sincerely,


James W. Williams III
JWW:pga

Water Purchased from City of Stanford in city

September 1998	5,236,000 gallons
October 1998	4,462,000 gallons
November 1998	3,919,000 gallons
December 1998	4,525,000 gallons
January 1999	5,298,000 gallons
February 1999	3,719,000 gallons
March 1999	3,698,000 gallons
April 1999	3,641,000 gallons
May 1999	4,376,000 gallons
June 1999	3,987,000 gallons
July 1999	4,966,000 gallons
August 1999	4,740,000 gallons

Water Purchased from City of Stanford outside city

September 1998	2,442,000 gallons
October 1998	2,226,000 gallons
November 1998	1,728,200 gallons
December 1998	1,770,500 gallons
January 1999	1,826,000 gallons
February 1999	1,916,700 gallons
March 1999	2,322,000 gallons
April 1999	2,110,700 gallons
May 1999	2,289,400 gallons
June 1999	2,019,700 gallons
July 1999	2,752,400 gallons
August 1999	2,519,900 gallons